

Economic Development Proviso Meeting

August 27th, 2013

SeaTac, WA

ATTENDANCE

Participants:

Connie Bacon, Port of Tacoma
Francis Benjamin, SE Washington EDA
Brian Bonlender, WA Dept. Of Commerce
Senator John Braun, WA Senate
Senator Maralyn Chase, WA Senate
Nick Demerice, WA Dept. of Commerce
Randy Gardiner, Red Dot Corporation
Mark Harris, Formerly Continental Mills
Jim Kuntz, Port of Walla Walla
Christina Lomasney, Modumetal Corp.
Jeff Marcell, EDC of Seattle & King County
David McFadden, Yakima County Dev. Assn.
Rep. Jeff Morris, WA House of Representatives
Eleni Papadakis, WA Workforce & Training Board
Lisa Parks, Port of Douglas County
Dale Peinecke, WA Employment Security Dept.
Lynn Rotmark, Clallam EDC
Mike Schwenk, Formerly PNNL
Jonathan Smith, Grant County EDC
Rep. Norma Smith, WA House of Representatives
Dodd Snodgrass, Port of Bellingham
Stan Sorscher, SPEEA
Bill Stafford, Trade Development Alliance, Seattle
Beth Thew, AFL-CIO Regional Labor Council
Robin Toth, Greater Spokane, Inc.
Mark Urdahl, Port of Chelan County
Steven VanAusdle, Walla Walla Community College
Roger Woodworth, Avista Corporation

Proviso Staff

Noreen Hoban, WA Economic Development Comm.
David Wallace, WA Dept. of Commerce

Not Present:

Carl Adrian, Tri-City Development Council
Bud Hover, WA Dept. of Agriculture
Bruce Kendall, Tacoma-Pierce County EDB
James Paribello, Governor's Policy Office
Lynn Peterson, WA Dept. of Transportation
Michael Young, University of Washington

Brief biographies of Economic Proviso participants
available at: <http://www.wedc.wa.gov/>

Stakeholders

Jessica Allenton, WA Dept. of Agriculture
Patrick Bell, University of Washington
Ginger Eagle, WA Public Ports Association
James Evans, WA Economic Development Assn.
Samantha Gatto, House Republican Caucus
Kathy Goebel, SBCTC
David Giuliani, WA Business Alliance
Fred Holt, University of Washington
Alexis Holzer, WSU
Barbara Ivanov, WA Dept. of Transportation
Diane Kamionka, NWIRC
Jennifer Keene, Cowlitz-Wahkiakum Council of Gov.
Jennifer Korfiatis, North Central WA EDD
Doug Lein, City of Auburn
Lynn Longan, WA Dept. of Commerce
Jeff Olsen, Senate Staff
Edward Redmond, Senate Trade & ED Committee
Elizabeth Robbins, WSDOT
Mark Streuli, WA Dept. of Agriculture
Patti Tenney, WBBA
Jasmine Vasavada, House Technology & ED
Lisa Wellman, WA Business Alliance & CERB

Call to Order

Chair Roger Woodworth called the meeting to order at 10AM. Introductions were conducted with each participant identifying themselves, their organization, and what they hoped this body would accomplish. The chair set criteria for the group to observe throughout the Economic Development Proviso process:

- 1) Respect, the opinions and time of all participants;
- 2) Engagement, to make the most of this opportunity and fulfill the responsibilities of the chairs we occupy;
- 3) Grace, to allow room for missteps and adjustments we may make along the way.

A discussion ensued identifying the elements of success for this group.

Details available at: [www.wedc.wa.gov/meetings/August 27, 2013](http://www.wedc.wa.gov/meetings/August%2027,%202013)

Introductory Remarks to the Proviso Work and Overview of Washington Strategies and Plans for Economy - Brian Bonlender, Director, Washington Department of Commerce

Economic Development is a constantly changing, dynamic ecosystem requiring systemic changes to drive us forward. A framework of the past economic development state-wide challenges were presented and briefly discussed. Mr. Bonlender presented the need for close linkages between the Governor's office, the Department of Commerce and the economic development system in order for us to compete vigorously.

"2013-2015 Strategic Plan for WA Department of Commerce" – Overview of Washington Strategies and Plans for Economy - Brian Bonlender, Director, Washington Department of Commerce

Director Bonlender briefly summarized the current work being done to reorganize the department, developing Results Washington and establishing a system to "keep its eye on the ball" to move economic development in the direction of the Governor's plan. Economic development must be from the ground up in order to create systemic, measurable and sustainable changes. There is a strong need to move beyond politics as usual. Cities and towns need to do asset analysis to measure strengths and the state must also evaluate assets, identify industries in which we can vigorously compete. We must have mechanisms in place to make sure that we are successful. The Department of Commerce is driving toward systemic changes in policies and initiatives so government will help propel Washington forward. Commerce is working specifically with the governor and others to provide intelligence for assessment. Mr. Bonlender, who sits on the Governor's cabinet group, Prosperous Economy, cited that the focal point of policy is to make business more successful. An example illustrating current work was the Governor's cabinet "red tape analysis" to force decisions to remove road blocks and examine specifics for improving the regulatory environment. Commerce's six focus areas directly parallel the Governor's plan including new sector specialists to provide intelligent sector assessments for policy makers.

Washington Department of Commerce Strategic Plan is available at:

<http://www.commerce.wa.gov/Documents/2013-2015-Strategic-Plan.pdf>

Governor's "Working WA Agenda" – Nick Demerice, Director of External Relations and Outreach, Washington Department of Commerce

Mr. Demerice pointed out the strong overlap of the 3 plans. He then briefly summarized the Governor's economic development initial strategy indicating that it was an evolving document. Five areas were highlighted as key to success of the plan:

- Educating a 21st century workforce.
- Improving the business climate
- Advancing Washington's aerospace leadership
- Clean energy, climate action and plentiful water.
- Health care reform
- Additional information for the Working Washington Agenda is available at:
<http://www.governor.wa.gov/issues/economy/jobs/default.aspx>

Washington Economic Development Commission's "Driving Washington's Prosperity: A Strategy for Job Creation and Competitiveness" – Roger Woodworth, Chair, WEDC

Chair Woodworth described the Commission's recommendations as a holistic system, complementary to sector-based development strategies. He summarized the five key economic drivers in the plan that supports growth and prosperity of start-ups and existing company expansion as well as new recruits:

1. Make talent a top priority
2. Invest in entrepreneurship –about new ideas and processes at startups as well as existing companies
3. Connect through reliable infrastructure
4. Regulate in the smartest ways
5. Expand international business.

"Driving Washington's Prosperity: A Strategy for Job Creation and Competitiveness" is available at:
<http://www.wedc.wa.gov/Download%20files/2013StrategicPlan.pdf>

Forward Focus: Planning for the Future of Economic Development

Chair Woodworth briefly described the requirements and timeline of the proviso as laid out in the legislation passed in Senate Bill 5034. Mr. Demerice described the role the Washington Department of Commerce would play in creation of the final report due to the Legislature's Committees for Economic Development by December 15, 2013.

Each legislator from the economic committees of the Washington Senate and House of Representatives was invited to speak on the intent of the legislation and to define the deliverables anticipated from this group.

- Representative Norma Smith expressed the institutional difficulty of strategic work standing the test of time over multiple political boundaries. Representative Smith proposed that the work span multiple environments.
- Senator John Braun summarized that the proviso was formulated in consultation with the commission.

- Jeff Morris expressed that the WEDC value has been the collaborative thinking; metrics, measuring benchmarks; he encouraged the group to find a way to continue the work that the Commission has done and carry it forward.
- Senator Maralyn Chase expressed the need for regulatory reform to keep current mid-business in mind.

To accomplish the work required in developing recommendations for the state's economic development system, three working subgroups were formed. Workgroup formation paid particular attention to regions, urban/rural representation and participant interests. Each workgroup will encompass a major topic of the proviso:

1. Objective **BENCHMARKS and OUTCOME-BASED MEASURES** for evaluating state investments in economic development;
2. High priority **REGULATORY REFORMS** to foster a favorable business climate for long-term private sector job creation and competitiveness; or
3. **ORGANIZATIONAL ROLES, RESPONSIBILITIES and STRUCTURES** to strengthen cohesive planning, streamline execution, and improve outcomes.

The chair appointed co-chairs of each subgroup and invited all participants of the Economic Development Proviso and the stakeholders present to provide input to all three major topics to initiate the work.

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Forward Focus: Working Groups – Report Outs

Initial conversations focused on scoping the each project:

- **Objective Metrics** - Discussion report provided by co-chairs Mark Harris and David McFadden, summarizing the following from their discussions:
 1. Data processes require streamlining, tapping into currently available data using already existing sources to get more important information
 2. Metrics should measure outcomes, be 3rd party verifiable; and not geared for data collection but related to economic development;
 3. Need funding to build data networks;
 4. Need to define success; goals/outcomes in order to complete the process;
 5. Metrics should consider project timeframes as well as causal determinants; and
 6. Metrics should reflect the needs of the state legislature and policy makers to enable setting policy. Additionally provision should be made for business needs. Further determination of the audience is required.
- **Regulatory Reforms** -- Discussion report provided by co-chairs Lisa Parks and Christina Lomasney, summarizing the importance of top-down accountability for time and predictability with emphasis on creating a "Culture Change" to "Getting to Yes"
The workgroup split their areas of focus to include:
 1. Improving predictability and process efficiency;
 2. MyAccount or a "concierge" portal for regulations;

3. Improving redundancy and overlaps between federal, state, local regulations;
4. Agencies process reforms which might be needed.
- **Organizational Roles & Responsibilities** Discussion report was provided by co-chairs Jeff Marcell and Steve VanAusdle, summarizing their initial work to include:
 1. Principles to consider;
 2. The different models to be examined;
 3. Resources which needed to be considered;
 4. Who would need to advise, advocate to by the Proviso group;
 5. An inventory of statewide economic development is needed.

It was brought forward that other voices might be invited to represent all aspects of Washington's diverse economy. The Proviso staff was chartered to reach out to additional constituencies including Native Americans, the Latino community, African-American communities and and/or business sectors to assure a thorough representation of interests.

Public Comments – *Public comment was invited by Chair Roger Woodworth*

Mr. Doug Lein, *Economic Development Director*, City of Auburn, thanked ED Proviso team for allowing the stakeholders to participate in the process of designing future mechanisms to enhance economic development in Washington.

Mr. Fred Holt, *Director of Strategic Initiatives*, Center for Commercialization at the University of Washington reminded the group that there has been four years of work establishing relationships and projects to work on. He invited the ED Proviso to examine the work which currently exists.

Next Meeting: Tuesday, September 24, 2013, 9:30-2:30, Beijing Room, SeaTac Conference Center, SeaTac WA

Adjournment: In closing, Chair Woodworth requested participant input on the quality of the meetings as to things to “Start, stop and keep” (Details available at: [www.wedc.wa.gov/meetings/August 27, 2013](http://www.wedc.wa.gov/meetings/August27,2013)) after which the Economic Development Proviso meeting was adjourned at 1:50 PM